



# County of Los Angeles CHIEF EXECUTIVE OFFICE

Kenneth Hahn Hall of Administration  
500 West Temple Street, Room 713, Los Angeles, California 90012  
(213) 974-1101  
<http://ceo.lacounty.gov>

WILLIAM T FUJIOKA  
Chief Executive Officer

February 14, 2012

The Honorable Board of Supervisors  
County of Los Angeles  
383 Kenneth Hahn Hall of Administration  
500 West Temple Street  
Los Angeles, CA 90012

Dear Supervisors:

## ADOPTED

BOARD OF SUPERVISORS  
COUNTY OF LOS ANGELES

13 February 14, 2012

*Sachi A. Hamai*  
SACHI A. HAMAI  
EXECUTIVE OFFICER

Board of Supervisors  
GLORIA MOLINA  
First District

MARK RIDLEY-THOMAS  
Second District

ZEV YAROSLAVSKY  
Third District

DON KNABE  
Fourth District

MICHAEL D. ANTONOVICH  
Fifth District

**NEW SANTA CLARITA SHERIFF STATION AND COURTHOUSE  
APPROVAL OF TERMS AND CONDITIONS OF TWO OPTION AGREEMENTS  
FOR TRANSFER OF REAL PROPERTY  
AND ENVIRONMENTAL CONSULTANT AGREEMENT  
(FIFTH DISTRICT) (3 VOTES)**

### SUBJECT

Approval of terms and conditions of two Option Agreements for the Transfer of Real Property between Newhall Land and Farming Company (Newhall Land) and the County of Los Angeles (Option Agreements) to provide sites for a new regional Sheriff station and courthouse in the Santa Clarita Valley, contingent upon your Board's future approval of the Sheriff station project, required environmental documentation, and purchase options.

### **IT IS RECOMMENDED THAT YOUR BOARD:**

1. Approve the terms and conditions of an Option Agreement for the Transfer of Real Property, as described herein, to provide the County with approximately 6-acres of land that will ultimately allow the California Judicial Council to construct a new courthouse in the Santa Clarita Valley (Parcel A), at a proposed price (for the land only) of \$2,890,000.
2. Approve the terms and conditions of an Option Agreement for the Transfer of Real Property, as described herein, to provide the County with approximately 6-acres of land to allow the County to construct a new Sheriff station in the Santa Clarita Valley (Parcel B), at a proposed price (for the land only) of \$2,890,000.

3. Direct the Chief Executive Officer to coordinate the development and preparation of the appropriate environmental documentation required under the California Environmental Quality Act for the purchase of Parcel B and development of a Sheriff station in the Santa Clarita Valley.
4. Direct the Chief Executive Officer to: a) finalize and execute the Option Agreements for both Parcel A and Parcel B based upon the terms and conditions described herein; and b) to return to your Board to certify the required environmental documentation and exercise the purchase options on Parcel A and Parcel B.

#### **PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION**

Approval of the recommended actions will allow the County to secure an option to purchase approximately 12 acres of unimproved land from Newhall Land located in the unincorporated Castaic Junction area. The option to acquire these sites in the future will provide an opportunity for the County to replace existing Santa Clarita Sheriff Station and enable the State to proceed with its planned replacement of the current Santa Clarita Courthouse.

#### **Background**

The existing Santa Clarita Sheriff Station, Courthouse, and Administrative Center are co-located at the intersection of Magic Mountain Parkway and Valencia Boulevard in the City of Santa Clarita. Each facility is in physical decline and fail to adequately serve the needs of the Santa Clarita Valley. The facilities were constructed 1972 and are deficient and unsafe according to a recent building assessment completed by the State of California Administrative Office of the Courts (AOC).

In addition to its physical obsolescence, the current Sheriff station is undersized relative to its service area and population. The current station is 25,015 square feet and services 642 square miles and a population of 269,000 with 128 patrol deputies. In contrast, the Lancaster Sheriff station is 60,818 square feet and services 603 square miles and a population of 188,000 with 145 patrol deputies. The Palmdale Sheriff Station is 48,080 square feet and services 777 square miles and a population of 197,000 with 123 deputies.

The current Courthouse is also undersized at 32,948 square feet, providing only four courtrooms versus the ten being proposed by the AOC. Further, the recent withdrawal of the City of Santa Clarita from the County Library System and the resulting sale of the adjacent Santa Clarita Public Library building to the City has reduced the amount of available, onsite parking and constrained ingress to and egress from the Sheriff station. It is anticipated that the inadequacies of the current facilities will be exacerbated by the continuing population growth that is anticipated over the coming years.

### **Proposed Sheriff Station and Courthouse**

The State of California has assigned the highest priority ("Immediate Need") to the replacement of the existing Courthouse. The State's budget for the project, however, does not include funding for site acquisition or preliminary site development, necessitating either donation of a site or assistance in procuring a site.

The AOC has identified and approved a 6.1 acre site along the southerly side of The Old Road, just east of Henry Mayo Drive, at the junction of Interstate 5 and the 126 Freeway. The site is currently owned by Newhall Land and has been independently appraised at \$2.89 million. To acquire the site, the AOC has proposed a non-cash exchange of its equity in the existing Santa Clarita Courthouse for title to the proposed site, which would initially be procured and developed by the County.

The County would gain full ownership in the existing Courthouse and could package the existing Courthouse, Sheriff station, and Administrative Center for sale as a single property. Proceeds from the sale of the existing Civic Center site, combined with developer fees could largely, if not entirely, fund the acquisition of a site and construction of a new 45,000 square feet Sheriff station that would better serve the entire Santa Clarita Valley.

Newhall Land has conceptually agreed to sell the proposed 6.1 acre Courthouse site (Parcel A), as well as an adjacent 6.1 acre site for a future regional Sheriff station (Parcel B), to the County. The proposed Sheriff site is located in an unincorporated area immediately northwest of the City of Santa Clarita, which would better position the Sheriff to serve the growing unincorporated areas in the Santa Clarita Valley, as well as the City itself. To complete the proposed transactions:

- County would enter into Option Agreements to acquire both Parcels A and B in the future from Newhall Land for \$2.89 million apiece, once certain conditions have been satisfied, including completion of required environmental reviews and documentation, and agreement between the County and Newhall Land on nature and extent of certain offsite improvements;

- AOC would complete the environmental documentation required under the California Environmental Quality Act (CEQA) for construction of the proposed Courthouse on Parcel A;
- County would complete the CEQA documentation required for construction of the proposed Sheriff station on Parcel B;
- Upon completion and certification of the required CEQA documents by the AOC (Courthouse) and County Board of Supervisors (Sheriff station), the County would exercise the purchase options and acquire Parcels A and B from Newhall Land;
- County would engage a contractor (through a competitive bid process) to develop the newly acquired Parcels A and B. Site development activities include grading, boundary adjustments to accommodate existing easements, relocation of utilities, and installation of streets, sidewalks, street lighting, etc.; and
- County and AOC would enter into a land exchange agreement for Parcel A and the State's equity in the existing Santa Clarita Courthouse, which would be executed upon completion of site development of Parcels A and B.

Completion of the proposed transaction structure will enable the County to acquire a site for a future regional Sheriff station that will be located in the center of the growing Santa Clarita Valley and thus allow the Sheriff to optimize response times in an expanding service area. The proposed process will also allow the AOC to proceed with construction of its new courthouse in the Santa Clarita Valley.

*It is important to note that approval of the recommended actions do not represent a final commitment by your Board to the acquisition of the proposed sites. The recommended actions do delegate authority to the Chief Executive Office (CEO) to finalize and execute the Option Agreements with Newhall Land. Your Board's future approval will be required, however, to certify the CEQA documentation on Parcel B, exercise the options to purchase for both Parcels A and B, award the site development contracts, and execute the final agreement with the State to exchange the State's equity in the existing Santa Clarita Courthouse for ownership of Parcel A.*

### **Option Agreement**

Entering into the Option Agreements will provide the County with the ability to secure the rights to purchase the necessary land, allowing the County to conduct the prerequisite reports and studies to satisfy conditions of the CEQA and other due diligence activities consisting of an environmental site assessment, geotechnical work, and title review for both Parcels.

The proposed purchase price for the land identified as Parcel A is \$2,890,000, and Parcel B is \$2,890,000, plus any other related title and escrow costs, estimated to be less than \$10,000, to consummate both transactions.

The Option Agreements will provide for an appropriate phasing process, which secures rights to purchase the appraised land at a fixed price for the duration of the option term. The Option Agreements will be in compliance with Section 25365 of the California Government Code and approved as to form by County Counsel.

### **ENVIRONMENTAL DOCUMENTATION**

Execution of the Option Agreements does not constitute a project pursuant to CEQA because it is an activity that is excluded from the definition of a project by Section 15378(b) of the State CEQA Guidelines. The proposed action is an administrative activity of government which will not result in direct or indirect changes to the environment.

The environmental impacts of the proposed Santa Clarita Courthouse Project will be considered by the County through a thorough review of the State's Mitigated Negative Declaration (MND), which evaluates all potential direct, indirect and cumulative environmental impacts associated with the new SCV Courthouse project. The State's MND is nearly completed in draft form.

The environmental impacts of the proposed Santa Clarita Sheriff Station Project will be reviewed as the first phase of the Project through the preparation of an MND. The MND will evaluate all potential direct, indirect, and cumulative environmental impacts associated with the Santa Clarita Sheriff Station Project, including the cumulative impacts of both projects.

The appropriate environmental documents will be completed prior to returning to your Board for approval of any discretionary action that may impact the environment and prior to your consideration of the exercise of the options to purchase Parcel A and Parcel B.

### **Implementation of Strategic Plan Goals**

This action meets the County Strategic Plan Goals of Operational Effectiveness (Goal 1), Public Safety (Goal 5), by investing in public safety infrastructure and improving access to safety and justice in the Santa Clarita area of the County. Completion of this Project will provide much-needed modern courthouse and Sheriff station facilities for the residents of the County of Los Angeles.

### **FISCAL IMPACT/FINANCING**

The proposed combined purchase price for the land identified as Parcel A and Parcel B is \$5,780,000, plus any other related title and escrow costs estimated to be less than \$10,000, to consummate the transactions.

The estimated cost for purchase of the Courthouse site, \$2.9 million per the County's appraisal, along with the cost to develop the site, estimated at approximately \$3.3 million, will initially be funded through the issuance of tax-exempt commercial paper. The cost will be recouped by the County, on a value basis, through an equity trade with the State, wherein the State will relinquish its equity rights, currently appraised at \$6,133,000, in the Santa Clarita Courthouse and Administrative Center. Thus, it is anticipated that the County will incur no net cost to provide the new Courthouse site to the State or to acquire full equity in the Santa Clarita Courthouse and Administrative Center. On a cash basis, the County will be reimbursed for its commercial paper costs upon the sale of the Santa Clarita Courthouse and Administrative Center.

The full cost of the Sheriff station property purchase and development project is estimated at approximately \$37.9 million. Purchase of the proposed Sheriff station site is estimated at \$2.9 million; site development is estimated at \$3.0 million; and design/ construction of the new, 45,000 square feet Sheriff station is estimated at \$32.0 million, including design, jurisdictional review, construction, consultant services, and County services. Upon completion of a needs assessment and programming, completion of project scoping documents, and confirmation of construction cost estimates, we will return to your Board for approval of a total Project budget.

The cost for the new Sheriff station is anticipated to be fully offset by proceeds from the sale of the existing Santa Clarita Courthouse, Administrative Center, and Sheriff Station which, based on current appraisals, are estimated at \$14.7 million and approximately \$23.2 million in future developer fees on planned developments in the Santa Clarita Valley.

### **CONTRACTING PROCESS**

Your Board has approved a list of firms qualified to provide environmental documentation services required under CEQA under the direction of the CEO. The CEO will contract with one of these firms to perform the necessary services, which are anticipated to allow the County to develop the Sheriff station site.

The Department of Public Works (Public Works) has a list of firms qualified to propose for services associated with the requested scope of services for the Project. The proposals will be evaluated by an evaluation committee consisting of representatives from the CEO, the Sheriff, and Public Works.

The evaluation committee will score the proposing firms on the basis of their relative qualifications to perform the subject scope of services. The firm will be selected based on the overall quality and responsiveness of the proposal, competency, experience, and qualifications of proposed staff, and project-specific work plans. We are recommending that your Board authorize the Director of Public Works to execute an agreement to the firm that is determined to be the most highly qualified to complete the services requested for the Project.

### **IMPACT ON CURRENT SERVICES (OR PROJECTS)**

Approval of these recommendations will have no impact on current services. Upon completion of the Courthouse and Santa Clarita Sheriff Station, we anticipate that the existing site will be vacated by the Superior Court, the District Attorney, Public Defender and Sheriff. At this time, we have not identified a specific use for the existing site; and anticipate selling it.

The Honorable Board of Supervisors  
February 14, 2012  
Page 8

**CONCLUSION**

Please return one adopted copy of the Board letter to the Chief Executive Office, Capital Projects Division and to the Real Estate Division at 222 S. Hill St., 2<sup>nd</sup> Floor, Los Angeles, CA 90012 for further processing.

Respectfully submitted,



WILLIAM T FUJIOKA  
Chief Executive Officer

WTF:RLR:DJT  
MV:mc

Attachment

c: Executive Office, Board of Supervisors  
County Counsel  
Public Works  
Sheriff

**OPTION AGREEMENT FOR TRANSFER OF REAL PROPERTY BY AND BETWEEN  
NEWHALL LAND AND FARMING, A CALIFORNIA LIMITED PARTNERSHIP AND  
THE COUNTY OF LOS ANGELES**

This Option Agreement ("Agreement") is made and entered into this \_\_\_\_ day of \_\_\_\_\_ 2012, by and between NEWHALL LAND AND FARMING, a California Limited Partnership (the "Owner"), and the COUNTY OF LOS ANGELES, a body corporate and politic (the "County").

**RECITALS:**

- A. Newhall Land and Farming is the owner of that certain real property located in the unincorporated area of Castaic, County of Los Angeles, State of California, as more particularly described in Exhibit "A", attached hereto and incorporated herein by this reference (the "Property");
- B. The Property is comprised of approximately 6.07 acres of unimproved land, all easements and interests appurtenant thereto, and all intangible property owned or held in connection with the Property, including without limitation, development rights, governmental approvals and land entitlements;
- C. The County desires to purchase the Property, and Owner is willing to grant the County an option to acquire the Property in accordance with the terms and conditions of this Agreement.

NOW, THEREFORE, the parties hereto agree as follows:

- 1. Option Agreement.
  - 1.1 Option and Option Price. This Agreement shall constitute an option granting the County the exclusive right to acquire the Property, subject to the terms and conditions contained herein, for the period set forth herein (the "Option"). As consideration for the grant of the Option as set forth herein, the County agrees to pay to the Owner the sum of \$1.00 (the "Option Price").
  - 1.2 Option Term. This Option shall be exercisable by the County during a term commencing from the date of the execution of this Agreement by both parties, and terminating September 27, 2012 (the "Option Term").
  - 1.3 No Further Encumbrance of Property. The Owner hereby agrees that it shall not encumber the Property or acquiesce to, any further liens or encumbrances or otherwise alter the condition of title, during the Option Term.
  - 1.4 Right of Entry. Owner hereby also grants to the County and its agents and employees the right to enter upon the Property during the Option Term for the purpose of conducting engineering surveys, soil tests, entitlement processes and

any studies/reports to determine the Property's suitability for the intended or contemplated use by County and for any other reasonable purpose.

1.5 Exercise of Option. Upon County's election to exercise the exclusive Option to acquire said Property, the parties hereto, pursuant to Government Code and other applicable law, will effectuate the acquisition of the Property in accordance with the terms and conditions of this Agreement.

1.6 Purchase Price. Upon County's exercise of its Option, the purchase price for the Property shall be TWO MILLION EIGHT HUNDRED NINETY THOUSAND DOLLARS (\$2,890,000), (the "Purchase Price"). The Purchase Price shall be paid in the form of a County warrant and deposited into Escrow within twenty (20) business days of the County's Board of Supervisors' final approval of the purchase.

1.7 Contingencies. County's exercise of its Option is subject to the following conditions:

1.7.1 Approval of this Option Agreement by the Los Angeles County Board of Supervisors;

1.7.2 Completion of the due diligence activities outlined in Section 1.4 above;

1.7.3 The Board of Supervisors adopting a Notice of Intention to Purchase the Property; and

1.7.4 The Board of Supervisors approving the purchase of the Property and the environmental document and/or other finding pursuant to the California Environmental Quality Act (CEQA) for the project at the Public Hearing.

1.8 Notice of Intent to Exercise Option. County shall notify Owner of County's intent to exercise its Option to acquire the Property by delivering written notice (pursuant to Section 5) to Owner by letter from County's Chief Executive Office at any time prior to the expiration of the Option Term. The parties acknowledge that the actual exercise of the Option shall be only by the County's Board of Supervisors; however, the actual exercise of the Option by the Board may occur after the expiration of the Option Term, so long as the notice of intent to exercise the Option is provided by the CEO, pursuant to this section, during the Option Term.

1.9 Voluntary Termination. County may terminate this Agreement, by written notice to Owner, prior to the expiration of the Option Term if it determines, in its sole discretion that the Property is not suitable for the County's intended or contemplated use. Upon such notice, the Option shall terminate and all rights of County in said Property shall then and there cease.

2. Condition of Property.

- 2.1 "As Is" Purchase. The County acknowledges that the Property is being purchased "as is" solely in reliance on County's own investigation of the Property and the improvements thereon and that no representations or warranties of any kind whatsoever, expressed or implied, have been made with respect to the Property by the Owner, except for those express representations and warranties contained in this Agreement. However, the Owner shall bear sole responsibility for the removal of all contaminated materials, toxic or hazardous substances, and asbestos, if any, on the Property, pursuant to the terms of this Agreement.

3. Transfer of Property Interest.

- 3.1 Escrow. Upon County's execution and approval of this Agreement, the parties shall open an escrow ("Escrow") with **TBD**, ("Escrow Holder"), and this Agreement shall constitute the basic escrow instructions for the purpose of consummating the transaction contemplated by this Agreement. Escrow Holder is authorized to:

- 3.1.1 (i) pay, and charge Owner, for any delinquent taxes, penalties and interest thereon, and for any delinquent or non-delinquent assessments or bonds against the Property, except those which title is to be taken subject to and in accordance with the terms of this Agreement; (ii) pay, and charge Owner, for any amounts necessary to place the title in the condition necessary to enable conveyance pursuant to this Agreement; including title insurance, documentary transfer tax (if necessary), one-half (1/2) of the escrow fees; (iii) pay and charge the County for one-half (1/2) of the escrow fees; (iv) prorate all real property taxes which are a lien and/or unpaid as of the close of Escrow according to the formula adopted by the Los Angeles County Assessor's Office and deduct Owner's portion from its proceeds. The tax amount withheld will be made payable to the County Auditor-Controller's Office following the Closing. Any taxes which have been prepaid by the Owner shall not be prorated, but the Owner shall have the sole right after Closing, to apply to the Los Angeles County Treasurer for refund of taxes attributable to the period after acquisition pursuant to the Revenue and Taxation Code Section 5096.7; and (v) when conditions of Escrow have been fulfilled by the Owner and County, (a) record documents of conveyance; (b) disburse the Purchase Price to Owner, less its prorations and expenses; (c) deliver copies of the Escrow closing statements to both parties; and (d) deliver any items or documents given to Escrow Holder to hold for both parties.

- 3.2 Execution of Additional Escrow Documents. The parties shall execute and deliver to Escrow Holder, within five (5) business days after receipt, such additional escrow instructions prepared by the Escrow Holder as may be required to consummate the transaction contemplated by this Agreement. Any such instructions shall not conflict with, amend, or supersede any provisions of this Agreement. If there is any inconsistency between such instructions and this

Agreement, this Agreement shall control unless the parties expressly agree in writing otherwise.

- 3.3 Form of Grant Deed. Fee simple absolute title to the Property shall be conveyed by Owner to County by a grant deed substantially similar to the form attached hereto as Exhibit "B", subject to only matters approved in writing by County pursuant to Section 3.4 of this Agreement.
- 3.4 Condition of Title to Transfer Property. The Owner shall cause the conveyance of good and marketable fee simple absolute title to the Property to the County, as evidenced by a C. L. T. A. Standard Coverage Form Policy of Title Insurance ("Title Policy"), issued by **TBD** Title Company (the "Title Company"), in an amount equal to the value of the Purchase Price. The Title Policy shall show as exceptions only matters approved in writing by the County. The warranties of title are intended to survive the Closing. Prior to the Closing, the Owner shall use reasonable efforts to remove from title any items disapproved by the County. If the item cannot be removed, said item may be eliminated by any feasible method that is acceptable to the County. If the County does not approve a method of removing any disapproved exceptions for any reason, the County, as its sole and exclusive remedy, may (i) waive this condition and proceed with this transaction, or (ii) terminate this Agreement and neither party shall have any further liability to the other.
- 3.5 County's Conditions to Closing. County's obligation to consummate the transaction contemplated by this Agreement is conditioned upon: (i) Owner's delivery of the grant deed to Escrow Holder; (ii) Owner's representations, warranties and covenants being true and correct as of Closing; and (iii) Title Company's irrevocable commitment to issue the Title Policy. Upon non-satisfaction of any one of the above conditions, County shall allow Owner an opportunity to cure by any reasonable method; if the Owner fails to cure, County may, in writing, terminate this Agreement, and thereafter the parties shall have no further obligations pursuant to this Agreement. If County does not object to Owner's non-satisfaction of said conditions, they shall be deemed satisfied as of Closing.
- 3.6 Owner's Conditions to Closing. Owner's obligation to consummate the transaction contemplated by this Agreement is conditioned upon: (i) the Board of Supervisors adopting a Notice of Intention to Purchase the Property; (ii) the Board of Supervisors approving the purchase of the Property; (iii) County's deposit of the Purchase Price into Escrow no later twenty (20) business days after approval of the purchase by the Board of Supervisors; and (iv) County's representations, warranties and covenants being true and correct as of the Closing. Upon non-satisfaction of any one of the above conditions, Owner shall allow County a reasonable opportunity to cure by any reasonable method; if County fails to cure, Owner may, in writing, terminate this Agreement, and

thereafter the parties shall have no further obligations pursuant to this Agreement. If Owner does not object to County's non-satisfaction of said conditions, they shall be deemed satisfied as of Closing.

3.7 Loss by Fire or Other Casualty. Owner shall maintain fire and casualty insurance on the Property in full force until Closing. In the event that, prior to Closing, the Property or any part thereof, is destroyed or damaged, the County, at its option, may instead elect to terminate this Agreement, and thereafter, neither party shall have any further obligations pursuant to this Agreement. If County elects to accept the Property in its then condition, all proceeds of insurance paid or payable to Owner by reason of such damage or destruction shall be paid or assigned to County.

3.8 Closing. For purposes of this Agreement, the "Closing" shall be defined as the recordation of the grant deed in the Official Records. The parties agree to use their best efforts to effect the Closing no later than thirty (30) days following the date of the Board of Supervisors' order consummating the purchase contemplated hereby. The parties may agree in writing to extend the Closing beyond that date, if such an extension appears to either party to be necessary.

4. Possession.

4.1 County's Possession. County shall be entitled to exclusive possession of the Property as of the Closing. Owner shall provide County with any keys or other means necessary to operate all locks and alarms associated with securing the improvements on the Property.

4.1.1 Owner agrees to deliver the Property upon the Closing unencumbered by any liens, except for those that may be specifically approved by the County in writing.

4.1.2 Owner agrees to terminate all property management agreements, listing agreements and maintenance agreements relating to the Property prior to Closing.

5. Notices. All notices or other communications required or permitted hereunder shall be in writing, and shall be personally delivered or sent by registered or certified mail, postage prepaid, return receipt requested or by Express Mail or Federal Express to the following address:

To County: County of Los Angeles  
Chief Executive Office/Real Estate Division  
222 South Hill Street, 3rd Floor  
Los Angeles, California 90012  
Attention: Christopher M. Montana

With a Copy to: County of Los Angeles, Office of County Counsel  
Room 653 Kenneth Hahn Hall of Administration  
500 West Temple Street  
Los Angeles, California 90012  
Attention: Amy M. Caves, Esq.

To Owner: Attn: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Notice shall be deemed, for all purposes, to have been given on the date of personal service or three (3) consecutive calendar days following the deposit of the same with a carrier as specified above. Notice of change of address shall be given by written notice in the manner detailed in this paragraph.

6. Brokers. The Owner represents and warrants to County that no broker or finder has been engaged by it in connection with the transaction contemplated by this Agreement. In the event of any claims for brokers' or finders fees or commissions in connection with the negotiation, execution or consummation of this Agreement, Owner shall indemnify, hold harmless and defend the County, from and against such claims if they are based upon or are alleged to be based upon any statement, representation or agreement by Owner.
7. Representations and Warranties of the Parties. In consideration for entering into this Agreement and as an inducement to the transaction contemplated herein, each of the parties hereto makes the following representations and warranties, each of which is material and is being relied upon by the other and the truth and accuracy of which shall constitute a condition precedent to each parties' obligations hereunder. Each of the following representations and warranties shall be deemed to have been remade as of the Closing.
  - 7.1 Power. Each party has the legal power, right and authority to enter into this Agreement and the instruments referenced herein, and to consummate the transactions contemplated hereby.
  - 7.2 Requisite Action. All requisite action has been taken by each party in connection with entering into this Agreement and the instruments referenced herein and, by the Closing, all such necessary action will have been taken to authorize the consummation of the transactions contemplated by this Agreement. By the Closing, no additional consent of any person or entity, judicial or administrative body, governmental authority or other party shall be required for each party to consummate the transactions contemplated by this Agreement.
  - 7.3 Individual Authority. The individuals on behalf of each party executing this

Agreement and the instruments referenced herein, have the legal power, right and actual authority to bind their respective party to the terms and conditions hereof and thereof.

7.4 Validity. This Agreement and all documents required hereby to be executed by each party are and shall be valid, legally binding obligations of and enforceable against each party in accordance with their terms, subject only to applicable bankruptcy, insolvency, reorganization, moratorium laws or similar laws or equitable principles affecting or limiting the rights of contracting parties generally.

7.5 Violations. Owner has no present actual knowledge of any outstanding and uncured written notice or citation from applicable governmental authorities of violation of any applicable codes, environmental zoning and land use laws, subdivision laws, and other applicable federal, state and local laws, regulations and ordinances, including, but not limited to, those relating to environmental conditions, hazardous materials or wastes regarding the Property.

7.6 Litigation. Owner has no present actual knowledge of any litigation pending or threatened against the Owner on any basis therefore that arises out of the ownership of the Property or that might detrimentally affect the Property or adversely affect the ability of the Owner to perform its obligations under this Agreement.

8. Indemnification.

8.1.1 County shall defend, indemnify, and hold Owner free and harmless from and against any and all liabilities, damages, claims, costs and expenses (including without limitation, attorneys' fees, legal expenses and consultants' fees) arising from the negligence or willful misconduct of the County or its officers, employees or agents relating to the performance of its obligations under the terms of this Agreement.

8.1.2 The Owner shall defend, indemnify, and hold County and County's Special Districts, elected and appointed officers, agents and employees free and harmless from and against any and all liabilities, damages, claims, costs and expenses (including without limitation, attorneys' fees, legal expenses and consultants' fees) arising from the negligence or willful misconduct of the Owner or its officers, employees or agents relating to the performance of its obligations under the terms of this Agreement.

8.1.3 The indemnity provided each party by this section shall survive the Closing.

9 General Provisions.

9.1 Delegation of Authority. The County hereby delegates to its Chief Executive

Officer or his designee, the authority to issue any and all approvals required by this Agreement and to execute any and all instruments necessary to consummate this transaction.

- 9.2 Survival of Covenants. The covenants, agreements, representations and warranties made herein are intended to survive the Closing and recordation and delivery of the grant deed conveying the Property.
- 9.3 Entire Agreement. This Agreement contains the entire agreement between the parties hereto and no addition or modification of any term or provision shall be effective unless set forth in writing, signed by both Owner and County.
- 9.4 Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which, together, shall constitute one and the same Agreement.
- 9.5 California Law. This Agreement has been made and entered into in the State of California, and shall be construed in accordance with the internal laws thereof.
- 9.6 Waivers. No waiver by either party of any provision hereof shall be deemed a waiver of any other provision hereof or of any subsequent breach by either party of the same or any other provision.
- 9.7 Captions. The section and paragraph numbers and captions appearing in this Agreement are inserted only as a matter of convenience and in no way define, limit, construe or describe the scope or intent of such sections or paragraphs of this Agreement nor in any way affect this Agreement.
- 9.8 Interpretation. Unless the context of this Agreement clearly requires otherwise: (i) the plural and singular numbers shall be deemed to include the other; (ii) the masculine, feminine and neuter genders shall be deemed to include the others; (iii) "or" is not exclusive; and (iv) "includes" and "including" are not limiting.
- 9.9 Severability. In the event any portion of this Agreement shall be declared by any court of competent jurisdiction to be invalid, illegal or unenforceable, such portion shall be severed from this Agreement and the remaining parts hereof shall remain in full force and effect as fully as though such invalid, illegal or unenforceable portion had never been part of this Agreement; provided that the remaining Agreement can be reasonably and equitably enforced.
- 9.10 Binding Effect. The provisions of this Agreement shall be binding upon the parties hereto and their respective successors-in-interest.
- 9.11 No Presumption Re: Drafter. The parties acknowledge and agree that the terms and provisions of this Agreement have been negotiated and discussed between the parties and their attorneys, and this Agreement reflects their mutual

agreement regarding the same. Because of the nature of such negotiations and discussions, it would be inappropriate to deem any party to be the drafter of this Agreement, and therefore, no presumption for or against validity or as to any interpretation hereof, based upon the identity of the drafter shall be applicable in interpreting or enforcing this Agreement.

9.12 Assistance of Counsel. Each party hereto either had the assistance of counsel or had counsel available to it, in the negotiation for, and the execution of, this Agreement, and all related documents.

/ / / SIGNATURE PAGE FOLLOWS / / /

**IN WITNESS WHEREOF**, Owner has executed this Agreement or caused it to be duly executed and this Agreement has been executed on behalf of the County of Los Angeles by the Chairman of the Los Angeles County Board of Supervisors the day, month, and year first above written.

**NEWHALL LAND AND FARMING,**  
A California Limited Partnership

By: \_\_\_\_\_

**COUNTY OF LOS ANGELES**  
A body politic and corporate

By: \_\_\_\_\_  
Chairman, Board of Supervisors

**ATTEST:**

SACHI A. HAMAI  
Executive Officer-Clerk  
Of the Board of Supervisors

By: \_\_\_\_\_  
Deputy

**APPROVED AS TO FORM:**

ANDREA SHERIDAN ORDAN  
County Counsel

By: \_\_\_\_\_  
Amy M. Caves  
Senior Deputy

## **EXHIBIT LIST**

Exhibit "A" Legal Description

Exhibit "B" Grant Deed Form

## **EXHIBIT "A"**

### **LEGAL DESCRIPTION**

**EXHIBIT "B"**

**GRANT DEED**

**RECORDING REQUESTED BY  
COUNTY OF LOS ANGELES**

**WHEN RECORDED MAIL TO:**

County of Los Angeles  
222 South Hill Street, 3rd Floor  
Los Angeles, CA 90012  
Attention: Christopher M. Montana

Space above this line for Recorders use

THIS DOCUMENT IS EXEMPT FROM DOCUMENTARY TRANSFER TAX  
PURSUANT TO SECTION 11922 OF THE REVENUE & TAXATION CODE

ASSESSOR'S IDENTIFICATION NUMBER

THIS DOCUMENT IS EXEMPT FROM RECORDING FEES PURSUANT TO  
SECTION 27383 OF THE GOVERNMENT CODE

**GRANT DEED**

FOR A VALUABLE CONSIDERATION, receipt of which is hereby acknowledged, NEWHALL LAND AND FARMING, (hereinafter called "Grantor") does hereby grant to the COUNTY OF LOS ANGELES, (hereinafter called "County") a body corporate and politic, all of the Grantor's rights, title and interests to that certain real property in the unincorporated territory of the County of Los Angeles, State of California, legally described in Exhibit "A", attached hereto and incorporated herein by this reference.

**SUBJECT TO:**

1. All taxes, penalties and assessments of record, if any.
2. Covenants, conditions, restrictions, reservations, easements, rights, and rights-of-way, if any.

Dated \_\_\_\_\_

NEWHALL LAND AND FARMING

By \_\_\_\_\_